



# Summary of Performance and Financial Information

Fiscal Year - 2015

*Today's SBA: Smart, Bold, Accessible*

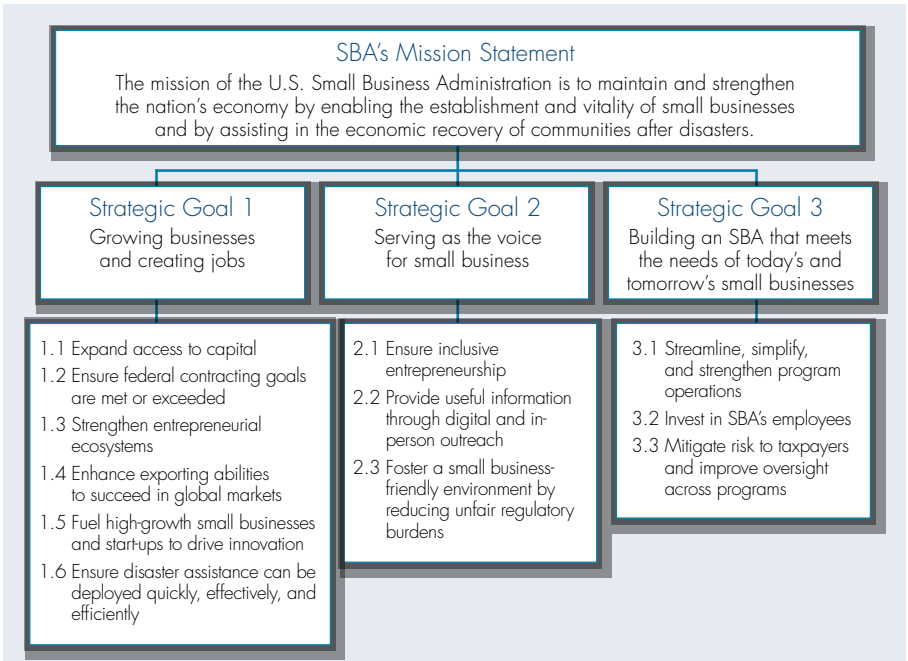


# OVERVIEW

The U.S. Small Business Administration is a vital resource for small businesses and an important driver of America’s economic growth. The SBA facilitates access to capital, counseling, contracting opportunities, and disaster assistance to promote, support, and grow the nation’s 28 million small businesses, which create two out of three net new private sector jobs.

In FY 2015, one motto under Administrator Contreras-Sweet has driven SBA’s work: “Smart, Bold and Accessible.” That means the SBA supports small businesses through smart systems, helping them reach bold new markets and serving entrepreneurs of every age, ethnicity, and background. The Agency supported \$33 billion in lending through the 7(a) and 504 loan programs. These loans supported more than 680,000 jobs across the country. The electronic submission of loan applications goal of 100 percent was met this past year, and development work continued with the SBA Fiscal Transfer Agent to construct and implement further enhancements to SBA One, the newly-created online lending platform. Investment funds licensed as SBICs provided more than \$6 billion in capital to small businesses. This helped the SBIC program execute more than \$2.5 billion in new commitments. In FY 2014, for the second time in a row, the federal government surpassed its statutory prime contracting goal, and the SBA met its priority goal by awarding more than 24.99 percent of federal prime contracts to small businesses. The federal government also exceeded its small business contracting goals for businesses owned by service-disabled veterans (3.68 percent) and businesses considered socially or economically disadvantaged (9.46 percent). The SBA provided mentoring, business advice, and training assistance to more than 1 million entrepreneurs and small businesses. These efforts help entrepreneurs create viable business plans; acquire capital; start businesses; and gain access to federal, corporate, and international supply chains. The SBA trained more than 14,000 transitioning service members at 184 military installations nationwide and approved more than 11,400 disaster loans totaling more than \$371.6 million and worked 255 active declarations across the country. For more detailed information, see the FY 2015 Agency Financial Report (AFR) and the FY 2017 Congressional Budget Justification and FY 2015 Annual Performance Report (CBJ/APR) at [www.sba.gov/performance](http://www.sba.gov/performance).

SBA’s headquarters is located in Washington, D.C. and its business products and services are delivered with the help of field personnel and a vast network of private sector and nonprofit partners in each U.S. state and territory. Throughout FY 2015, the Agency has been guided by the mission and goals outlined in its *FY 2014-2018 Strategic Plan*, highlights of which are presented here.



# SBA BY THE NUMBERS

(Dollars in Millions)

<b>Program Area</b>	<b>Metric Description</b>		<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Capital <sup>(1)</sup></b>						
7(a) Loans	Dollars of Loans Approved	\$	15,153	\$ 17,868	\$ 19,191	\$ 23,584
504 Loans	Dollars of Loans Approved	\$	6,712	\$ 5,227	\$ 4,199	\$ 4,298
Microloans	Dollars of Loans Approved to Microborrowers	\$	46	\$ 55	\$ 55	\$ 51
Surety Bond	Dollars of Bid and Final Bonds Guaranteed	\$	3,920	\$ 6,150	\$ 6,413	\$ 6,348
<b>Contracting <sup>(2)</sup></b>						
Prime Contracting	Dollars of Contracts Awarded to Small Businesses	\$	89,923	\$ 83,143	\$ 91,682	N/A
HUBZone Small Businesses	Dollars of Contracts Awarded to HUBZone Small Businesses	\$	8,140	\$ 6,245	\$ 7,000	N/A
Small Disadvantaged Businesses	Dollars of Contracts Awarded to Disadvantaged Small Businesses	\$	32,334	\$ 30,616	\$ 34,700	N/A
Women-Owned Small Businesses	Dollars of Contracts Awarded to Women-Owned Small Businesses	\$	16,180	\$ 15,365	\$ 17,200	N/A
Service-Disabled Veteran-Owned Small Businesses	Dollars of Contracts to Awarded to Service-Disabled Veteran-Owned Small Businesses	\$	12,256	\$ 12,023	\$ 13,500	N/A
<b>Advising, Mentoring, and Training <sup>(3)</sup></b>						
SBDCs	Number of Clients Advised and Trained		543,512	532,377	485,487	454,898
WBCs	Number of Clients Advised and Trained		136,951	133,765	140,037	140,716
SCORE	Number of Clients Mentored and Trained		458,773	345,902	442,374	349,539
SBA Learning Ctr.	Number of Clients Trained Online		220,596	150,355	182,002	139,719
VBOCs	Number of Clients Advised and Trained		44,001	34,664	52,621	55,899
<b>Exporting</b>						
Export Loans	Dollars of Loans Approved	\$	926	\$ 1,191	\$ 1,341	\$ 1,454
<b>High-growth Small Businesses</b>						
SBIC	Dollars of SBA Debenture Leverage Committed to SBICs	\$	1,924	\$ 2,156	\$ 2,549	\$ 2,553
	Dollars of SBIC Debenture Capital to Small Businesses	\$	2,950	\$ 3,256	\$ 5,465	\$ 6,286
<b>Disaster</b>						
Disaster Assistance <sup>(1)(4)</sup>	Dollars of Loans Approved	\$	690	\$ 2,797	\$ 332	\$ 372

(1) The SBA tracks loan data in three ways: Gross Loans Approved (the total loans approved); Net Loans Approved (gross loans approved plus any loan increases minus any cancellations); and Disbursed Loans (the amount that is actually given to the borrower). Loans Approved is presented in the Capital and Disaster Assistance sections because it is the only loan data that remain constant over time.

(2) FY 2015 contracting numbers will continue to be collected and certified through the third quarter of FY 2016. Therefore, FY 2014 numbers are reported per OMB Circular A-11.

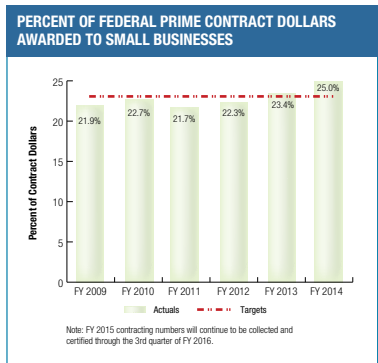
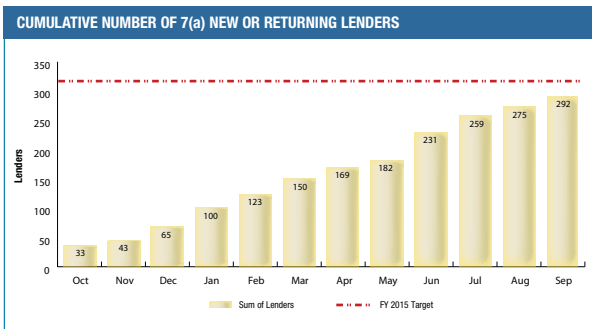
(3) Counseling is now referred to as "advising" and "mentoring." The way these numbers are calculated has not changed. Resource partners may input data up to 45 days after the close of the fiscal year.

(4) The significant increase in FY 2013 disaster loan approvals is attributable to Hurricane Sandy.

# KEY ACCOMPLISHMENTS

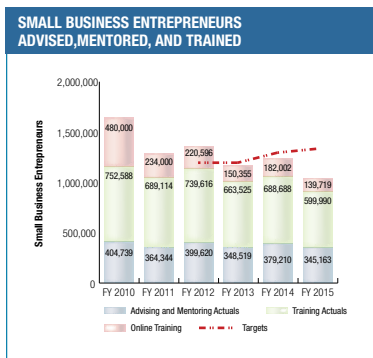
## Strategic Objective 1.1:

*Expand access to capital by adding 325 new and returning lenders to SBA's flagship 7(a) loan program each year in FY 2014- 2015.* The SBA accomplished 90 percent of its FY 2015 target (292 new lenders). These new or returning lenders made 752 loans totaling \$260 million. The number of new and returning lenders recruited slowed in the fourth quarter, particularly as fewer active lenders remain in business each year. However, the lending community has been responsive to SBA's strategy of fee relief for lower-dollar loans and loan program improvements.

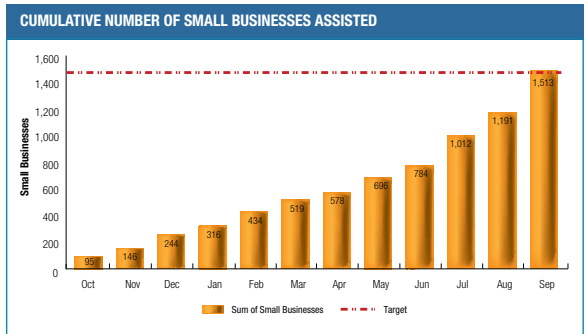


**Strategic Objective 1.2:** *Maximize small business participation in federal government contracting to meet the statutory goals and reduce participation by ineligible firms.* By law, 23 percent of federal government prime contracting dollars are set-aside for small businesses. In FY 2014 (the latest year of official data available), the federal government surpassed its goal, achieving the highest percentage of contracting dollars awarded to small businesses since the 23 percent goal was established. Small businesses were awarded \$91.7 billion in contracting dollars. FY 2015 contracting numbers will continue to be collected and certified through the third quarter of FY 2016.

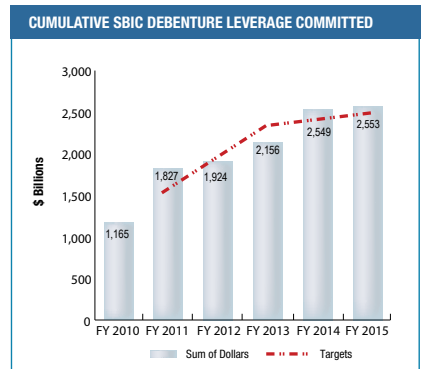
**Strategic Objective 1.3:** *Strengthen entrepreneurial ecosystems through a variety of strategic partnerships to provide tailored training, mentoring, and advising services that support entrepreneurs during every phase of their business growth.* In FY 2015, the SBA accomplished 80 percent of its performance target for advising, mentoring, and training assistance. Although FY 2015 data trended below FY 2014 levels, a greater emphasis was placed on increasing the quality of services, including services for long-term clients. The SBA standardized online courses, and the Women's Business Centers program streamlined its grant process.



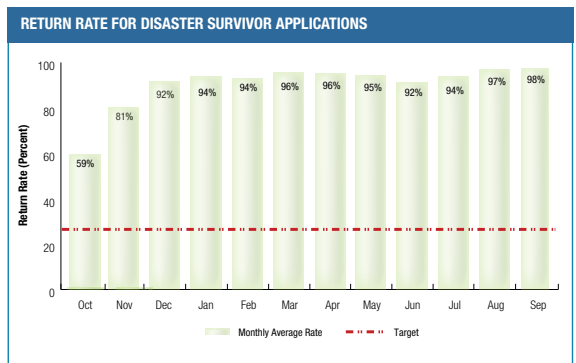
**Strategic Objective 1.4:** *Expand small business access to export financing by increasing the number of lenders providing export financing solutions to 555 and the number of small business exporters receiving financing through SBA loan programs to 1,480 by FY 2015.* In FY 2015, the SBA met 93 percent of its target for lenders providing export financing solutions and exceeded its target for small businesses receiving export financing. The SBA assisted 1,513 small businesses in export financing, 2 percent above its target of 1,480 small businesses.



**Strategic Objective 1.5:** *Issue \$2.5 billion in debenture leverage to small business investment companies (SBIC) in FY 2015.* The SBA exceeded its target for FY 2015, committing \$2.5 billion in debenture leverage to SBICs. This allowed SBICs to invest more than \$6 billion dollars in 1,210 small businesses. At the same time that commitments for debenture leverage were increasing, the SBA licensed 25 new SBICs with an average time to license of 8.4 months.



**Strategic Objective 1.6:** *By September 30, 2015, increase the return rate for disaster survivor applications by 10 percentage points (24 percent to 34 percent return rate).* As a result of implementing a new process for issuing applications to disaster survivors, the SBA exceeded its target by 188 percent this year. Each quarter the SBA successfully increased the disaster loan application return rate, going from 69 percent in FY 2014 to 98 percent in FY 2015. The SBA continues to improve disaster assistance by integrating user-friendly technology and streamlining the loan application process.



# SUMMARY OF MANAGEMENT CHALLENGES

On October 15, 2015, the SBA Inspector General submitted its Report Number 16-01 entitled: *Report on the Most Serious Management and Performance Challenges in Fiscal Year 2016*. The report represents the OIG’s current assessment of Agency programs or activities posing as significant risks, including those that are particularly vulnerable to fraud, waste, error, mismanagement, or inefficiencies. A summary of the contents of the report follows. Within each Management Challenge, there are a series of recommended actions to resolve the Challenge. Each recommended action is assigned a color status score — green for *implemented*, yellow for *substantial progress*, orange for *limited progress*, and red for *no progress*. An arrow in the color box indicates that the color score went up or down from the prior year.

Challenge	Status at End of FY 2015				Change from Prior Year	
	GREEN	YELLOW	ORANGE	RED	UP ↑	DOWN ↓
1 Small Business Contracting		1				
2 IT Security		2	3			1
3 Human Capital	1	2			1	
4 Lender Oversight		2				
5 8(a) Business Development Program			2	1		
6 Loan Agent Fraud	1	2	1		2	
7 Loan Management and Accounting System	4				4	
8 Improper Payments – 7(a) Program	1	3			1	
9 Disaster Loan Program (NEW)						
10 Acquisition Management	1		4		1	
<b>TOTAL</b>	<b>8</b>	<b>12</b>	<b>10</b>	<b>1</b>	<b>9</b>	<b>1</b>

To read the full report, go to: [www.sba.gov/oig/report-most-serious-management-and-performance-challenges-fiscal-year-2016](http://www.sba.gov/oig/report-most-serious-management-and-performance-challenges-fiscal-year-2016).

## SMALL BUSINESS PERSONS OF THE YEAR

In 2008, Alan Doan and his sister, Sarah Galbraith, launched Missouri Star Quilt Company in Hamilton, Missouri. An SBA 504 loan in 2013 enabled the business to build a 45,000 square-foot facility.



Missouri Star Quilt is a unique combination of e-commerce and a bustling brick and mortar operation. Quilting tutorials posted on YouTube were widely viewed, boosting the company’s image and engaging potential customers. The company ships hundreds of packages every day to customers all over the globe. Missouri Star Quilt owns 15 buildings that encompass 116,365 square feet. With 148 employees, it is the largest employer

in Caldwell County, Missouri. The net worth of the operating company has grown from \$60,576 in 2011 to \$206,608 in 2013. Alan Doan and Sarah Galbraith are SBA’s 2015 *National Small Business Persons of the Year*.

## FINANCIAL HIGHLIGHTS

(Dollars in Thousands)

	FY 2014	FY 2015	% Change
<b>Loan Portfolio<sup>(1)</sup></b>	<b>\$ 114,433,669</b>	<b>\$ 118,767,451</b>	<b>4%</b>
Total Assets	\$ 13,184,251	\$ 12,020,867	-9%
Total Liabilities	\$ 11,695,803	\$ 10,682,837	-9%
Total Net Position	\$ 1,488,448	\$ 1,338,030	-10%
Total Net Cost of Operations	\$ (466,394)	\$ (644,590)	-38%
Total Budgetary Resources	\$ 10,826,659	\$ 10,296,788	-5%

<sup>(1)</sup>The total portfolio consists of guaranteed business loans outstanding, direct business loans, and direct disaster loans. The data include all performing loans and defaulted loans that have not been charged off.

## BUDGETARY HIGHLIGHTS

(Dollars in Thousands)

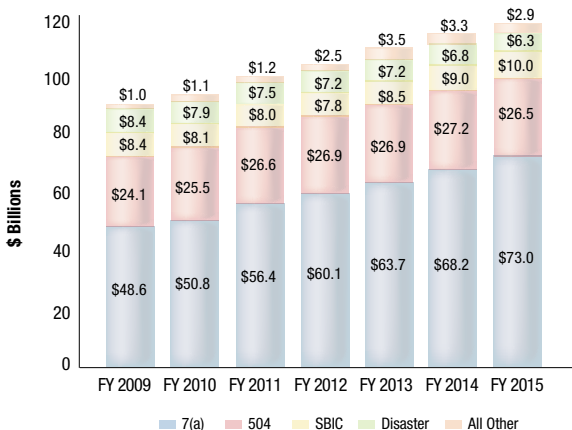
	FY 2014	FY 2015	% Change
Capital Programs	\$ 178,921	\$ 180,070	1%
Contracting Programs	\$ 96,176	\$ 100,426	4%
Entrepreneurship Programs	\$ 171,169	\$ 175,694	3%
Export Programs	\$ 20,048	\$ 28,588	43%
Investment Programs	\$ 24,786	\$ 29,546	19%
Disaster Assistance Program	\$ 246,358	\$ 225,712	-8%
Veterans Programs	\$ 19,439	\$ 23,366	20%
Executive Direction	\$ 3,309	\$ 3,920	18%
Regional and District Office Programs	\$ 48,167	\$ 47,432	-2%
IG and Advocacy	\$ 37,423	\$ 40,764	9%

## STAFFING HIGHLIGHTS <sup>(2)</sup>

	FY 2014	FY 2015	% Change
Regular Employees	2,137	2,115	-1%
Disaster Employees	991	991	0%
Total Employees	<u>3,128</u>	<u>3,106</u>	-1%

<sup>(2)</sup> Excludes the Office of Advocacy and the Office of the Inspector General.

## SBA'S OUTSTANDING LOAN PORTFOLIO



Note: Data have been rounded. See Unpaid Principal Balance Report at: [www.sba.gov/about-sba/sba-performance/performance-budget-finances/small-business-administration-sba-loan-program-performance](http://www.sba.gov/about-sba/sba-performance/performance-budget-finances/small-business-administration-sba-loan-program-performance).



# USEFUL SITES AND NUMBERS

The SBA home page is [www.sba.gov](http://www.sba.gov). Information on SBA programs may be accessed from this site. Several of the more frequently visited sites are listed here:

SBA INFORMATION	
About SBA	<a href="http://www.sba.gov/about-sba">www.sba.gov/about-sba</a>
SBA Performance, Budget & Planning	<a href="http://www.sba.gov/performance">www.sba.gov/performance</a>
SBA Strategic Plan	<a href="http://www.sba.gov/AgencyStrategicPlan">www.sba.gov/AgencyStrategicPlan</a>
Business USA	<a href="http://business.usa.gov/">http://business.usa.gov/</a>
STARTING and MANAGING A BUSINESS	
What is a Small Business?	<a href="http://www.sba.gov/content/am-i-small-business-concern">www.sba.gov/content/am-i-small-business-concern</a>
Thinking about starting a business?	<a href="http://www.sba.gov/thinking-about-starting">www.sba.gov/thinking-about-starting</a>
Local Assistance	<a href="http://www.sba.gov/local-assistance">www.sba.gov/local-assistance</a>
Lender Resources	<a href="http://www.sba.gov/lender_resources">www.sba.gov/lender_resources</a>
Financing Growth	<a href="http://www.sba.gov/content/financing-growth">www.sba.gov/content/financing-growth</a>
Explore Exporting	<a href="http://www.sba.gov/exporting">www.sba.gov/exporting</a>
Health Care	<a href="http://www.sba.gov/healthcare">www.sba.gov/healthcare</a>
LOANS, GRANTS and FUNDING	
Small Business Loans	<a href="http://www.sba.gov/financialassistance">www.sba.gov/financialassistance</a>
Surety Bonds	<a href="http://www.sba.gov/content/surety-bonds-explained">www.sba.gov/content/surety-bonds-explained</a>
Venture Capital	<a href="http://www.sba.gov/content/venture-capital#">www.sba.gov/content/venture-capital#</a>
Grants	<a href="http://www.sba.gov/content/facts-about-government-grants">www.sba.gov/content/facts-about-government-grants</a>
CONTRACTING	
Government Contracting	<a href="http://www.sba.gov/contracting">www.sba.gov/contracting</a>
Register as a Contractor	<a href="http://www.sam.gov">www.sam.gov</a>
Size Standards	<a href="http://www.sba.gov/size">www.sba.gov/size</a>
ADVISING, MENTORING and TRAINING	
SBA Learning Center	<a href="http://www.sba.gov/training">www.sba.gov/training</a>
Small Business Development Centers	<a href="http://www.sba.gov/sbdc">www.sba.gov/sbdc</a>
Women's Business Centers	<a href="http://www.sba.gov/content/womens-business-centers">www.sba.gov/content/womens-business-centers</a>
SCORE	<a href="http://www.sba.gov/score">www.sba.gov/score</a>
Veterans Outreach	<a href="http://www.sba.gov/content/veterans-business-outreach-centers">www.sba.gov/content/veterans-business-outreach-centers</a>
DISASTER ASSISTANCE	
Disaster Assistance	<a href="http://www.sba.gov/disaster">www.sba.gov/disaster</a>
Disaster Area Office Locations	<a href="http://www.sba.gov/about-offices-list/4">www.sba.gov/about-offices-list/4</a>
Response Office Locations for a Declared Disaster	Go to <a href="http://www.sba.gov/content/current-disaster-declarations">www.sba.gov/content/current-disaster-declarations</a> and then select the disaster/affected area in question
FEMA Information	<a href="http://www.fema.gov">www.fema.gov</a>
ADDITIONAL RESOURCES	
Office of Advocacy	<a href="http://www.sba.gov/advocacy">www.sba.gov/advocacy</a>
Office of the National Ombudsman	<a href="http://www.sba.gov/ombudsman">www.sba.gov/ombudsman</a>
Office of the Inspector General	<a href="http://www.sba.gov/oig">www.sba.gov/oig</a>

SBA National Answer Desk (Toll Free) (800) 827-5722

Disaster Customer Service Center (Toll Free) (800) 659-2955